

**ASSEMBLY BILL**

**No. 2554**

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**Introduced by Assembly Member Rendon**

February 21, 2014

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An act to add Chapter 4.5 (commencing with Section 16788) to Part 3 of Division 4 of Title 2 of the Government Code, and to amend Sections 151 and 154 of the Water Code, relating to natural resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 2554, as introduced, Rendon. Bond accountability.

(1) Existing law provides for various oversight and reporting requirements for the expenditure of state funds, including the proceeds of bonds.

This bill would create the Natural Resources Bond Accountability Commission, to be composed of a specified membership, to provide independent review of all expenditures resulting from the adoption of any natural resources-related bond acts approved by the voters after January 1, 2014.

(2) Existing law establishes the California Water Commission in the Department of Water Resources. Under existing law, the commission consists of 9 members who are appointed to 4-year terms by the Governor, subject to confirmation by the Senate.

Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election. The bond act, among other things, would continuously

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

(2) Following expiration of each of the initial terms provided for in this subdivision, members of the public appointed to the commission shall serve four-year terms.

1 (c) If a vacancy occurs within a term, the appointing authority  
2 shall appoint a replacement member within 30 days to serve the  
3 remainder of the term. When a term expires, the appointing  
4 authority shall appoint a member within 30 days of the expiration  
5 date.

6 (d) The members of the commission shall elect one of the  
7 members as the chair and another member as the vice chair. The  
8 chair and vice chair shall be elected at the first meeting of each  
9 calendar year or when a vacancy exists. The chair shall preside at  
10 all meetings of the commission and the vice chair shall preside in  
11 the absence of the chair.

12 16790. The Controller shall furnish to the commission, at its  
13 request, assistance, including, but not limited to, technical, legal,  
14 and clerical services, as is required.

15 16791. This chapter shall apply only to any natural  
16 resources-related state general obligation bond act approved by  
17 the voters after January 1, 2014.

18 16792. (a) Within 45 days of the Legislature appropriating  
19 moneys from a bond act, the state entity receiving the appropriation  
20 shall report to the Joint Legislative Budget Committee and the  
21 commission on the projects the state entity may implement or  
22 allocate the money for implementation.

23 (b) Before a project is approved for implementation, the state  
24 entity responsible for its implementation or for allocating the  
25 money for its implementation shall deliver information to the  
26 commission, as the commission determines is necessary, for the  
27 commission to determine whether the project is consistent with  
28 the purposes of the bond act and applicable existing law. The state  
29 entity responsible for implementation of the project or for  
30 allocating the money for its implementation shall neither implement  
31 the project nor allocate the money for its implementation until the  
32 commission determines the project is consistent with the purposes  
33 of the bond act and applicable existing law.

34 (c) (1) Before a project is approved for implementation, a  
35 responsible state entity shall report to the commission whether the  
36 project contributes to the achievement of a statewide natural  
37 resource priority.

38 (2) Using reports received pursuant to paragraph (1), the  
39 commission shall annually review whether statewide natural  
40 resource priorities are being achieved.

(d) After a responsible state entity has implemented a project or allocated the money for a project's implementation, the entity shall provide annual progress reports to the commission detailing the use of the bond funds.

(e) A responsible state entity shall ensure that its reporting under this section is provided in a timely manner and in a format requested by the commission.

(f) (1) The commission shall ensure that detailed information provided pursuant to this section will be available online in a searchable format, and updated at least annually.

(2) The commission shall annually prepare and make available online an executive summary of its findings, including a summary and analysis of the data, and any conclusions and recommendations, in a format the commission determines will provide useful for the public.

16793. (a) The commission shall provide independent review of all project expenditures funded with the proceeds of a bond act.

(b) The commission may request that the Controller audit a public entity that receives funds from the proceeds of a bond act.

(c) The commission shall have access and authority to examine and obtain any document from a public or private entity related to the use of the proceeds of a bond act.

(d) The commission shall have the power to subpoena all necessary persons and records for the purposes of this chapter.

(e) If a public or private entity violates any provision of law, the commission may bar that public or private entity from receiving the proceeds of a bond act.

SEC. 2. Section 151 of the Water Code is amended to read:

151. The California Water Commission consists of ~~nine~~ *11 members, appointed as follows:*

(a) *Nine* members ~~who are~~ appointed by the Governor subject to the confirmation of the Senate, as provided in this article.

(b) *One member appointed by the Senate Committee on Rules.*

(c) *One member appointed by the Speaker of the Assembly.*

SEC. 3. Section 154 of the Water Code is amended to read:

154. Appointments shall be for terms of four years. Vacancies shall be immediately filled ~~by the Governor~~ for the unexpired portion of the terms in which they occur.